

government of any country whose duly elected head of government was deposed by decree or military coup:

- would facilitate the transition to democratic rule in Pakistan; and
- is important to United States efforts to respond to, deter, or prevent acts of international terrorism.

Accordingly, I hereby waive, with respect to Pakistan, any such provision.

You are authorized and directed to transmit this determination to the Congress and to arrange for its publication in the *Federal Register*.

George W. Bush

NOTE: An original was not available for verification of the content of this memorandum.

Remarks in a Discussion on Strengthening Social Security in Portsmouth, New Hampshire

February 16, 2005

The President. Thanks for coming. Hi, John. It's nice to be back with friends. Thank you all for being here. We're here to talk about a vital issue, and that is Social Security. But before I do, I want to say hello to some folks, maybe talk about a few other things. And then we'll get our panel involved.

Before I begin on other things, I just want you to know what I think my job is, to confront problems, and not to pass them on. And so, as you hear a discussion about issues, I hope you keep that in mind. I believe a leader ought to, when they see a problem, address it head on and not say, "Okay, we'll wait for somebody else to take care of the problem." That's what we're here to discuss.

First, I want to really thank your Senators from the great State of New Hampshire, Senator Judd Gregg and Senator John Sununu. I appreciate their leadership. I appreciate their advice. I appreciate the fact that they're willing to jump on Air Force One anytime I come to New Hampshire, for a free ride. [Laughter] Judd is in charge of the budget for the United States Senate. Believe me, he brings a sharp New Hampshire eye to the budget process, and that's good. I'm looking

forward to working with him. He'll be a great budget leader.

I want to thank the speaker of the house, Speaker Scamman, and the president of the New Hampshire Senate for joining us. Thank you, members, for being here. I'm proud you're here. I want to wish my friend Commissioner Dick Flynn a happy birthday. Today is his birthday. I want to thank the State and local officials who are here, appreciate you coming.

I want to thank Reggie Wright. I met—where's Reggie? Yes, Mr. Wright, thank you for coming. Reggie Wright is 81 years old—or will be 81 on Monday. He is a volunteer at the veterans hospital, and I appreciate that. The Portsmouth Veterans Affairs Community Based Outpatient Clinic, right here in—that's a long word, but anyway—a long series of words—here at Pease. And I appreciate his volunteering.

See, here's the thing about volunteering. If you volunteer to make your community a better place, you're adding to the great compassion of America. And so, for those of you who are taking time out of your life to help feed the hungry or provide shelter for the homeless or love somebody who hurts, I want to thank you for being a soldier in the army of compassion. Thank you for setting such a good example, Reggie. I appreciate that.

I'm getting ready to go to Europe, and I'm looking forward to it. I'm looking forward to talking about how we can work together to extend freedom around the world so that the world is more peaceful for generations to come. I'm looking forward to reminding the people of Europe that there has been some amazing events in the march of freedom, if you think about it. The Afghan people went to the polls in the millions to vote for a new leader, and that is important, providing an example for others to show what can happen when people are given a chance to live in a free society. Free societies are peaceful societies. Democracies produce peaceful nations. And the elections of Afghanistan—I hope you found them as hopeful as I did, and I'm convinced many in the—on the continent of Europe found hopeful as well.

I will remind them about what happened in Iraq. It was a grand moment when millions

defied the terrorists and went to the polls to say, "We want to live in a free society." For those of you who have been to Iraq—I see we've got some marines here—or family members in Iraq, I want to thank you for your loved ones' sacrifices. I hope that the hug that took place at the State of the Union spoke to you as much as it spoke to a lot of people I've talked to. It certainly spoke to me. It said that there's a mom who's longing for—to be able to hug her son, but her son's sacrifice was recognized by the woman who got to vote. It was a—I thought it was a wonderful moment of compassion and freedom and, eventually, peace that we all want for our children and grandchildren.

Freedom is on the march, and I look forward to working with our friends in Europe to continue that march, so when it is all said and done we can look back and say, "The world is safer and more peaceful for our children and grandchildren."

Looking forward to working with the Congress to make sure we put things in place—plans in place to keep this economy growing. The unemployment rate here is 3.3 percent. That's pretty low. Things are going well. I suspect it's because the entrepreneurial spirit is strong, and so we've got to work on ways to make sure the entrepreneurial spirit remains strong all around the country.

I've got some ideas. One is to make sure the budget is wise. I'm looking forward to working with Judd and Members of the House and the Senate to say, "We'll set priorities with your money. We'll make sure there's clear priority. If a program doesn't work, we need to eliminate it." We need to be wise about spending the money. And I think that will set the tone for future economic growth, when people see that we're serious about dealing with our deficits.

We're going to do something about lawsuits. The Senate voted out a good bill on class-action lawsuits. There's more lawsuit reform that needs to be done. I'm looking forward to working with the House and the Senate. We want to make sure the scales of justice are balanced. And they're not balanced around this country when frivolous lawsuits make it hard for small businesses to expand their employee base, and they're not balanced when doctors are getting run out

of practice. This Congress needs to do something about asbestos, and they need to get a medical liability reform to my desk.

There's a lot of issues we can work together on to make sure that the economy continues to grow. We need to get an energy policy—energy bill; I've put out a policy. I'm looking forward to working with Judd and John Sununu to get a bill out of the United States Senate that enhances conservation, that talks about renewable uses of energy. I am—believe that we ought to expand nuclear power to make us less dependent on foreign sources of energy and, at the same time, do a better job of protecting our environment.

We need to continue to provide money for technologies to make the cars we drive cleaner. One of these days, it would be nice if biodiesel or ethanol becomes even more commercially available, so that when the crops are up, we're less dependent on a source of energy from coming overseas. And so I want to work with the Congress to promote a good energy plan—good energy bill that will enable this President and future Presidents to say that we're less dependent, that we're more self-sufficient when it comes to energy, which will be good for our economy and good for our national security as well.

And now I want to talk about Social Security. And I'm sure there are some, when they heard the State of the Union, if they listened to it, that said, "Why is he spending so much time on what had been—used to be called the 'third rail of American politics'?" That means, if you touched it, you were politically electrocuted. I guess that's what it meant. I've touched it. I touched it in 2000 when I campaigned here and around the country. I touched it in 2004, and I really touched it at the State of the Union, because I believe we have a problem. And I want to talk to you about the problem.

And Tim Penny, my friend, former Democrat Member from Minnesota, is also going to talk about the problem. And I'm going to throw out some ideas about the solution as well, and I want to hear from our panelists here in a minute. Laura said, "Make sure you tell everybody hello when you come, and make sure you give the panelists a chance

to speak.” [Laughter] So far I’m not listening to her too well. [Laughter]

So here’s the problem. In the olden days, in the 1950s, 16 workers would be paying in the system for every beneficiary. That means that the worker had less of a burden to pay the benefits that were promised. And the system was working great. And by the way, Social Security is vital. It’s a really important system.

But things have changed since the 1950s. First, baby boomers, like me and Judd and Penny and a couple others of you out there, are getting ready to retire. There’s a lot of us. And instead of living to about 60 years, which was the life expectancy early in the Social Security calculations, we’re now living to 77 years, and a bunch of us hope we do better than that. So you got a bunch of people fixing to retire, a bulge of retirees coming into the system, who are going to live longer. Plus, the benefits promised to the baby boomers are 40 percent higher, in real terms, than the seniors retiring today. So just think about that aspect of the environment in which we live, more people, living longer, being promised greater benefits.

The problem is compounded by this: There’s not enough people paying money into the system to pay for all that. The ratio of payers to beneficiaries is going from 16 to 1 to 3.3 to 1 today. And when—and down the road it’s going to be 2 to 1. So you can see the formula begins to get a little disturbed. It makes it hard to pay the promises. As a matter of fact, in 2018, the system goes into the red.

And by the way, there’s not a Social Security trust. In other words, people think your money goes into the trust, and it’s held for your account, and then you get it out. That’s not the way it works. It’s “pay as you go.” It goes in, and it goes out. And to the extent that there’s money more than the retirees receive, like it is today, it goes to other programs. And so what you’ve got is an IOU, kind of a bank of IOUs. It’s an important concept.

So money that’s going in is greater than money going out today for Social Security. But in 2018, the system goes into the red, and every year thereafter the situation gets worse; 2027 will cost the Federal Govern-

ment \$200 billion above and beyond payroll taxes to make the promises; and in 2042, the system goes broke. Those are the facts.

Now, 13 years isn’t very far down the road. You know, if you’ve got a 5-year-old child, it means when your child is getting ready to vote, the system goes negative. It may seem like a lot for some in the United States Congress who have got 2-year terms. But it’s not a lot if you’re a grandfather who’s worried about whether or not your grandchild is going to have a retirement system that works and whether or not we’ve got the capability of dealing with the problem before it gets even worse, because the longer you wait, the more severe the remedies become.

Now, I want to—I fully understand—you’ve got to know this about many of us in Congress who are discussing reforms—we understand that many people rely upon their Social Security check. And I know that any discussion about Social Security can frighten people who rely upon their Social Security check. I mean, I remember the campaigns where people would say, “If you vote for George W., you’re not going to get your Social Security check.” In other words, it’s been part of the political dynamic. People would say—even if you discussed it, that would frighten people. And so, not only am I going to spend time traveling our country—this is my ninth trip since the State of the Union—or ninth State—I’m going to continue traveling over and over and over again, making it clear to the American people we have a problem. I’m also going to travel over and over and over again to say to people who have received a check—who are receiving a check and those near retirement, people born before 1950, “Nothing changes.” It doesn’t matter what the rhetoric might be, no matter what the mailers may say, nothing changes for people who have retired or near retirement, and that’s really important.

Now, I have an obligation to talk about solutions as well. And in my State of the Union Address, I may have been the first President ever to have talked about different ideas about how to permanently fix the problem for younger generations of Americans. And Republicans and Democrats have both—have all come forth with different ideas. Tim is an example. He is on the leading

edge of the Social Security debate. I mean, he was talking about it way before I was even thinking about running for President. And he's had some interesting ideas, and I mentioned his name in the State of the Union as being the kind of person who had the courage to step up and say, "Here are different options." And it's important to keep the options on the table. And it's important for me to say to the Members of Congress, "If you've got a good idea, bring it forward. There will be no political retribution."

President Clinton thought raising the age might have made sense. Daniel Patrick Moynihan had an idea. Tim Penny had some ideas. And so my message today is: Bring them forth; let's sit down at the table and discuss ways to permanently fix the system. I'm openminded. And I think that's what you want from your President at this point—not for me to prescribe the solution, because I don't get to write the law, but to call Members forward and say, "We'll work with you. We'll look at all the different options, with the exception of the payroll tax increase."

Now, I've got an idea that I'd like for Congress to consider, and I want to share the idea with you here. It's a novel idea—oh, it's really not that novel. As a matter of fact, it's a part of the Federal employee retirement plan. It's a thrift benefit plan. It's a plan that allows Federal employees to set aside some of their money and put it in safe stocks and bonds, so they get a better rate of return on their money than they would otherwise. So it's not new. The idea of allowing people to invest their money, their own money, is not a new thought. That's what's already happening with Federal employees. I'm the kind of fellow who believes if it's good enough for Federal employees, it ought to be considered for younger workers. In other words, there ought to be a—and that's the idea of letting younger workers set aside some of their own payroll taxes in a personal savings account.

The benefits are these, in my judgment: One, you get a better rate of return on your money than that which is in the Social Security system. If you're a younger worker, and say—my proposal is, is that you can put 4 percent of your payroll taxes in the account, and the rest of it, obviously, will go into the

Social Security system. If you're a younger worker who averages \$35,000 over your lifetime, and you put the money set aside—the 4 percent allowed to be set aside into a personal account, because of the compounding rate of interest, that will accumulate—you'll accumulate \$250,000 when it comes time to retire. So you've got money in the Social Security system, however much Congress can afford, plus your own nest egg of \$250,000. That's for a worker who earns \$35,000 over his or her lifetime.

And the reason why the money grows is because interest compounds. I'm trying to sound like an economist; I was a simple history major. But nevertheless, people—if you keep reinvesting in safe stocks and bonds, money grows. And it's important for younger workers to be able to watch their money grow.

Now, you can't take that money and put it in the lottery, in all due respect to those who like the lottery. In other words, there's going to be some safe guidelines. We've already done this. The Federal employee benefit plan does just that. It says, "Here is a conservative mix of stocks and bonds available for you to get a better rate of return than that which you get with your money flowing through the Social Security system."

It makes sense for younger workers to hold their own account, because when they pass on, they can leave their own assets to whomever they choose. I think that's a wonderful idea.

Certainly the personal account doesn't fix the system. There needs to be better reforms, more meaningful reforms than that. But what the personal account will do, it will make it more likely—it will make it so that a younger worker gets closer to the promises made, because of the compounding rate of interest.

There's going to be a lot of discussion about how to fund these accounts. I look forward to working with Congress. I'm interested; I'm openminded. One of the suggestions we made is the accounts start very slowly, so they become easier to finance, and they grow over time. Senators and Congressmen may have different ideas. I just want the idea of people being able to manage their own money to be a part of the debate. It makes

financial sense, and it makes sense to promote ownership in America. I think that when more people own something, the more they'll have a stake in the future of this country.

Now, a couple of other guidelines that you need to know about, and then we'll get to our panel. Laura's voice is beginning to kind of echo in my ears. You can't take all your money when you retire and take a trip. In other words, this is your account, but there's got to be guidelines because the account is set up to help supplement your Social Security check. And so you can't withdraw it. There will be withdrawal requirements, for example.

However, if you do pass it on to a survivor, that survivor can liquidate the account and live on it, which oftentimes does not happen in Social Security today. For example, if a person were to die prior to 60 years old, all the money going into the account—and the kids are over a certain age—all the money in the account goes away. I've talked to widows who would like to see at least something left over for all the hard work their husband has done—or vice versa, if the woman is working and the husband is the beneficiary—that there's an account to pass on.

So what I'm telling you is, is that there's ways to make this system conservative, is the right word to use. It's easy to come—develop a mix of stocks and bonds that can beat the rate of return that the money now earns in the—going through the Social Security system and enable a younger worker to have a compounded rate of interest that grows over time. And that's what I want the Congress to discuss and think about.

I understand it's novel and it's different. But when the Members of Congress think about it, it's not all that novel and different. And we're going to talk to some people who are thinking about 401(k)s, what that means. We're developing an investor society.

Let me conclude by this thought: Investors aren't just Wall Street people, as far as I'm concerned. You've got "the investor class"—if you think about that, that means only certain people are capable of investing. I disagree. I think every citizen—every citizen—has got the capacity to manage his or her own money. And if they don't, we'll help

them understand how to, and the rules will be such that they can. And I believe the so-called investor class ought to be every American, regardless of his or her background.

So that's what's on my mind, Social Security. And I'm excited about the issue. I like getting out with the people and talking about it, and I told Tim this coming in. He said, "Mr. President, you're going to have to work this issue." I said, "Don't worry about it. Every week, I'm out of Washington, DC, in forums like this." And I'll continue to do it. I'm going to talk to the American people over and over and over again until the Members of Congress recognize we have a problem. And then I'm going to ask them the same question that people have asked me, "If we've got a problem, what are you going to do about it?" People expect us to lead on this issue. They expect us to put our parties aside and move forward on this issue to solve the problem for the American people, which is exactly what we're going to do.

And here's a guy—he is a man who has put party aside, put his country first. He's served as a United States Congressman from Minnesota, like I told you. And he is our expert on the subject. He's a senior fellow at the Hubert H. Humphrey Institute Policy Forum in Minnesota. Thanks for coming. Give us your thoughts.

Representative Timothy J. Penny. Well, thank you, first of all, Mr. President, for your leadership on this issue, because this is the most important domestic program ever created. It's provided enormous security to senior citizens in America, that they know they have a safety net they can't fall below, and that's important to maintain. But as you've articulated, we need to strengthen this program for the 21st century. It was created 70 years ago, different time, different place, circumstances have changed. We've got new generations coming along, and they rightfully are worried about the future of this program. And we need to give them a voice in how to change this program for the future.

[At this point, Representative Penny, senior fellow and co-director, Hubert H. Humphrey Institute Policy Forum at the University of Minnesota, Waseca, MN, made further remarks.]

The President. Yes. Let me just give an example. Today, a retired average-wage earner gets 14,200 a year in benefits. So think about what two workers per beneficiary means. It means that one worker would have to pay \$7,000 to support that retiree. So my—sorry, Tim, I’m just trying to quantify the burden.

Representative Penny. That’s fine. And it does put it in very real terms, because that’s a big chunk of change. I was at a dinner last night with another leader on this issue, retired Congressman Charlie Stenholm, and he said, “Well, I’ve got it all figured out. Since there’s only going to be two workers to support my retirement, I’m picking Tiger Woods and Jessica Simpson.” [Laughter] But we don’t have that luxury.

[Representative Penny made further remarks.]

The President. Tim, help me on this. I need for you to, if you feel like it, talk to the seniors who are receiving checks today. I mean, people have got to understand—I know I sound like a broken record, but I’ve heard people say, “Well, he’s talking about Social Security reform. It means seniors aren’t going to get their checks or are not going to get their full amount promised.” You’ve looked at this—

Representative Penny. Well, I can talk to this on two levels, one, as a member of your Commission a few years ago. We said that all changes would be phased in over time, so anyone that’s currently retired or anyone that’s near retirement would be in the traditional system, the current system, no changes whatsoever.

But I can also speak to this from my own life experience. My mother lives on Social Security and nothing else, so she’s in that category of people that rely on this current system. And for her there will be no changes. I have two younger brothers who are disabled, and they get disability assistance, and we’re going to protect that program for those people that need the program. So that’s a separate issue. We’re talking about what we need to do for the next generation of workers coming along and how to strengthen and improve this system for them. So they’re really separate issues.

The President. Perfect. All right, Frank, Frank Partin and his daughter, Amy. It’s a interesting idea, whoever—I want to congratulate the people who picked our panelists, because this is really a generational issue when you think about it, in many ways—dad/daughter, retired/not retired. [Laughter] Frank, what did you do? What did you do here?

Franklin Partin. Thank you, Mr. President.

The President. How did you make a living for a while?

Mr. Partin. How did I make my living, Mr. President?

The President. Yes.

Mr. Partin. I was in the Air Force for many years, and I—

The President. There you go. Thanks for serving. [Applause] I appreciate that.

Mr. Partin. I beg your pardon?

The President. I appreciate it, and so do the people out here, obviously.

Mr. Partin. Thank you. We appreciate you, Mr. President.

The President. Well, thank you.

Mr. Partin. My name is Franklin Partin, Jr. My wife and family and I reside in New Boston, New Hampshire. My lovely wife—

The President. Where is she?

Mr. Partin. Right down there in the blue jacket.

The President. You’re right. She is lovely. We’ll see you afterwards.

Mr. Partin. I’m 69 years old. I’ve been retired for about 6 years now. And I’m receiving Social Security. It comprises about 40 percent of our retirement income. I’m very thankful for it. But I recognize that there’s a serious problem with it, and I appreciate the plan that you have because I think it’s something that my daughter, when she gets to be my age and wants to think about it, will have something viable to count on.

The President. So Social Security is important for you—obviously not to the extent that it’s important for Tim’s mom, but 40 percent of a person’s money, what they’re living on, is important. And as you discuss this issue with people, Frank, you hear people say, “Yes, it looks like Congress is going to reduce my benefits for retired people.” Is that out there still?

Mr. Partin. I've heard things like that, but that's not my experience at all.

The President. It's not what you're thinking. That's good to know. Well, it's not going to happen. And this is important. I'll tell you why it's important, because once the people who get their Social Security checks realize nothing changes, then all of a sudden they're going to start saying, "How about my daughter? What are you going to do about the next generation coming up?" One of the great things about the generation which is retired is they've always worried about the next generation. And that's what we need to be worried about. That's why Frank has agreed to stand here in front of all these cameras, sitting up here with the President, worried about speaking, I'm sure, because he was worried about his daughter. That's why he came—once he's assured that the check, his check, isn't going to change.

And by the way, before I talk to Amy, I do want to say something to the people who are going to be voting on this legislation. Once the seniors realize nothing changes, the voices you'll hear from are the Amys of America who are saying, "Mr. Elected Official, what you going to do about it to make sure I don't get stuck with 200 billion a year, near 300 billion a year deficits over time? Why don't you address the problem now and not wait and pass it on so the next generation coming up has to deal with it?"

So Dad did good, didn't he? Your dad did good?

Amy Partin. Yes, he did.

The President. Yes. All right, Amy, what do you do?

Ms. Partin. My name is Amy Partin. I'm a senior at the University of New Hampshire at Manchester. I'm studying English.

The President. Good, yes. I could use a few lessons. [Laughter]

Ms. Partin. I'll see you afterwards. [Laughter]

The President. Yes, quick tutorial. [Laughter]

Ms. Partin. I am also working as a part-time tutor as I go to school. [Laughter]

[Ms. Partin, student, University of New Hampshire at Manchester, New Boston, NH, made further remarks.]

The President. Interesting idea, isn't it? Here's a person getting ready to get out of college, and she says she's thinking about how to save her own money. And remember, the payroll tax is not the Government's money; it's your money. And I think the people—there are a lot of young people around America saying, "Why don't you think of a system that will work, that enables us to watch our assets grow." I think there's nothing healthier for a society in which they see an asset base grow.

And by the way, Amy, because she's younger, can find a—amongst conservative portfolios, a little higher return portfolio, and as she gets ready to retire, can shift from stocks and bonds to Treasury bills or whatever may be available at the time, so that it can—it helps to make sure that you deal with market adjustments. But over time, money grows. That's what Tim's committee, I suspect, discovered. They discovered—you might assure people of that.

Representative Penny. Well, we did ask the Social Security actuaries to run numbers on what a modest account for young workers would mean to them over the course of their lifetimes, contributing 4 percent of payroll per year into these accounts. And in every instance, they did markedly better than what the current system is promising them. And bear in mind, the current system is promising them about 30 percent more than it can pay them, because there won't be enough money in the current system to pay them. So with these personal accounts, they come out better, even assuming very conservative growth in their fund over the course of their working lives.

The President. So if she starts early with her own money, which I think you just told me you'd like to do—

Ms. Partin. That's right.

The President. —it grows. It grows to a substantial amount. If you think about the worker making 35,000 over his or her lifetime, and they set 4 percent of the payroll taxes aside and it turns into 250,000, imagine the person who makes 50,000 over his or her lifetime, or 70,000. In other words, we're talking about the accumulation of significant amounts of wealth to help complement, not replace but complement the Social Security

check. And that's important as well for people to understand.

We've got us a dairy farmer with us. That would be you, Bill.

William Yeaton. Yes, welcome to New Hampshire.

The President. Did you ever envision coming off the dairy farm to—lending your wisdom here about Social Security?

Mr. Yeaton. Up at 4 this morning, quick shower, and now we're down here.

The President. That's good. [Laughter] Like, when was the last time you wore a tie, just out of curiosity? [Laughter]

Mr. Yeaton. It wasn't yesterday. [Laughter]

The President. That's good. [Laughter] I don't blame you, man. I'm stuck, though. [Laughter]

Mr. Yeaton. Well, my name is Bill Yeaton. I'm here with my wife, Cerina.

The President. Where is she? Thanks.

Mr. Yeaton. The girl beside her, Shannon, my daughter, and Samuel, and also my mother, Beulah.

The President. Good, talk to Mom, that's for certain.

Mr. Yeaton. So we're—

The President. Is your mother still giving you instructions?

Mr. Yeaton. I was getting dressed this morning, so I was getting some help. [Laughter]

The President. So is mine. [Laughter]

Mr. Yeaton. And I was up—[laughter]—I was up most of the night, hoping I wouldn't forget their names, so we got that by—we have to keep going.

The President. Yes, that's good. [Laughter] So you're a dairy farmer. A little bit about the history of the farm, just out of curiosity.

Mr. Yeaton. The history of the farm, I'm fourth-generation dairy farmer.

The President. Same farm?

Mr. Yeaton. Same farm.

The President. Fantastic.

[Mr. Yeaton, co-owner, Yeaton Dairy Farm, Epsom, NH, made further remarks.]

The President. That's 4 percent of the payroll tax. It's not 4—I mean, it's 4 percent out of the payroll tax; that's important. So it's like a third of the payroll tax.

So how is the milk business?

Mr. Yeaton. Last year, we had a pretty good year. The cows are doing well.

The President. It's never good enough, though, if you're a farmer, right?

Mr. Yeaton. I was going to sit up here and say we need more milk—

The President. Wait a minute. [Laughter]

Mr. Yeaton. —the price of milk is too low.

The President. Write your Congressman. [Laughter]

Mr. Yeaton. I practiced that speech last night, talking about milk prices, and said, "No, we're not going to use that."

The President. Okay, good, yes, thanks. [Laughter] So you and your wife have got a 401(k)?

Mr. Yeaton. Oh, yes, my wife has a 401(k).

The President. She's got the 401(k)?

Mr. Yeaton. Yes.

The President. Everybody know what a 401(k) is? It's a defined contribution plan. You contribute your money into a plan and watch it grow. When I was your age, I don't—let me say when I was younger than your age, there weren't a lot of 401(k)s. I don't remember coming up talking about 401(k)s. And by the way, I never remember, when I was Amy's age, talking about whether Social Security would be around. I mean, baby boomers just assumed it would be around, and it is for us. This is an interesting dialog, isn't it? The dynamics have shifted a lot. Here we've got a dairy farmer talking about how he and his wife manage their own money. That's what you're doing, right?

Mr. Yeaton. Yes. In the old days, they used to say, "Farmers don't retire. We just pass on." But that has changed.

The President. That's good, pretty good. A little agricultural humor there. [Laughter] But you're managing your 401(k). Think about what has changed in society. You've got younger folks saying, "We're managing our own money. We're looking after our own money. We're watching the 401(k) grow. We're making decisions." And so the idea of extending what is happening in society to Social Security seems like to make a lot of sense, doesn't it?

This is a society where younger folks are saying, "Just give me a chance to watch my

own money grow and, at the same time, go milk those cows.” [Laughter] Are you still milking them by hand here in New Hampshire?

Mr. Yeaton. Oh, no. We’ve got a state-of-an-art process.

The President. You’re mechanized? That’s good. [Laughter]

Mr. Yeaton. We had to change our 70-year-old plan too.

The President. There you go. [Laughter] Very good.

And finally, Marlo Downer is with us. Thank you for coming, Marlo.

By the way, good job, Bill. For a farmer, you’re pretty darn articulate. [Laughter]

Marlo, tell us about yourself. Where do you work?

Marlo Downer. I work at Wentworth-Douglass Hospital in Dover.

The President. Dover? Hospital? Very good. Mom?

Ms. Downer. I’m a single mom of a 13-year-old son.

The President. Where is he?

Ms. Downer. Douglas.

The President. Hey, Douglas. Like teenage years?

Ms. Downer. Yes.

The President. Interesting experience.

Ms. Downer. Oh, yes. [Laughter]

The President. I’ve been through them. [Laughter] I like to tell people, Marlo has got the hardest job in America, being a single mom. And she’s worried about retirement.

[Ms. Downer, intensive care unit nurse, Wentworth-Douglass Hospital, Dover, NH, made further remarks.]

The President. And so, let me ask you, in your plan, how often do you get a statement, just out of curiosity? Quarterly?

Ms. Downer. I believe it’s quarterly.

The President. Yes. That makes sense, doesn’t it? I mean, I think it’s kind of a reminder about the need for people to pay attention to policy or know what the Government is doing with your money as you watch—on a quarterly basis, watch your asset base begin to grow. And that’s important.

And so, tell us about Social Security. Here’s your chance, with everybody watching.

[Ms. Downer made further remarks.]

The President. Are you aware of the problem? Obviously, otherwise you wouldn’t be sitting here. But I mean, I just wonder how often people—how aware people are that we have a serious problem. That chart—and this chart, by the way, which is reality, just shows how big the deficits are, starting in 2018. I mean, it’s like you wait, and then, all of a sudden, you’ve got to come up with 200 billion in 2027, and like in 2032, you’ve got to come up with 300 billion, just to stay even for the year.

I mean, are people beginning, around the old nursing station, to start kind of talking about it yet?

Ms. Downer. I really haven’t heard it around the nurses station yet.

The President. They’re going to, after you get back—[laughter]—aren’t they?

Ms. Downer. Oh, yes.

The President. By the way, on the Medicare drugs, we’re fixing it. We got a new system that we put in place to make sure that the seniors who have trouble affording prescription drugs get help through Medicare. So they don’t have to worry about that anymore, starting next year, by the way—next year. And it’s going to be a great change.

But back to Social Security. So what Marlo wants to know is whether or not we’ve got the courage, the political courage, to take this issue on and solve it. That’s what she wants to know. And what I want to assure you all is that I like calling Congress to do big things, because that’s what we got elected to do. And I’m going to continue pressing this issue and pressing this issue and pressing this issue and—until we get something done.

I want to thank you all for your interest. I want to thank you for your interest. I would tell you, you don’t have to worry about your Senators. They’re forward-thinking people who understand we’ve got to address this problem today. They understand that, and I’m looking forward to working with them on it. I’m looking forward to giving them a ride back to Washington. [Laughter] I’m looking forward to talking about what they’ve heard here. I want to thank you for your time. I want to thank our panelists for doing such a fabulous job. I appreciate it.

And in the meantime, may God bless you all. Thanks for coming.

NOTE: The President spoke at 11:50 a.m. in the Pan Am Hangar at Pease International Tradeport Airport. In his remarks, he referred to W. Douglas Scamman, speaker, New Hampshire House of Representatives; Thomas R. Eaton, president, New Hampshire Senate; Richard M. Flynn, commissioner, New Hampshire Department of Safety; President Hamid Karzai of Afghanistan; Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2; professional golfer Tiger Woods; and entertainer Jessica Simpson. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

**Executive Order 13372—
Clarification of Certain Executive
Orders Blocking Property and
Prohibiting Certain Transactions
February 16, 2005**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act, as amended (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code,

I, George W. Bush, President of the United States of America, in order to clarify the steps taken in Executive Order 12947 of January 23, 1995, as amended by Executive Order 13099 of August 20, 1998; and Executive Order 13224 of September 23, 2001, as amended by Executive Order 13268 of July 2, 2002, and Executive Order 13284 of January 23, 2003, in particular with respect to the implementation of section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)), hereby order:

Section 1. Section 4 of Executive Order 13224 is hereby amended to read as follows:

“**Sec. 4.** I hereby determine that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)), by, to, or for the benefit

of, any persons determined to be subject to this order would seriously impair my ability to deal with the national emergency declared in this order, and would endanger Armed Forces of the United States that are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances, and I hereby prohibit such donations as provided by section 1 of this order. Furthermore, I hereby determine that the Trade Sanctions Reform and Export Enhancement Act of 2000 (Title IX, Public Law 106-387) shall not affect the imposition or the continuation of the imposition of any unilateral agricultural sanction or unilateral medical sanction on any person determined to be subject to this order because imminent involvement of the Armed Forces of the United States in hostilities is clearly indicated by the circumstances.”

Sec. 2. Section 3 of Executive Order 12947 is hereby amended to read as follows:

“**Sec. 3.** I hereby determine that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)), by, to, or for the benefit of, any person whose property or interests in property are blocked pursuant to section 1 of this order would seriously impair my ability to deal with the national emergency declared in this order, and I hereby prohibit such donations as provided by section 1.”

Sec. 3. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and the UNPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

(b) Nothing contained in this order shall relieve a person from any requirement to obtain a license or other authorization in compliance with applicable laws and regulations.